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JAN 23 '06

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SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

January 23, 2006

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease Agreement, dated as of January 11, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease, Lease Supplement and Security Interest previously filed with the Board under Recordation Number 22862.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
6250 River Road, Suite 5000
Rosemont, Illinois 60018

Lessee: Kasgro Leasing, LLC
320 East Cherry Street
New Castle, PA 16102

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A description of the railroad equipment covered by the enclosed document is:

23 railcars: KRL 25973 - KRL 25974, KRL 70938 - KRL 70952, KRL 370383 - KRL 370386 and LNAL 44000 - LNAL 44001.

A short summary of the document to appear in the index is:

Memorandum of Lease Agreement.

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

**MEMORANDUM OF LEASE AGREEMENT
(Surface Transportation Board)**

JAN 23 '06

2-14 PM

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE dated as of January 11, 2006, is between FIRST UNION RAIL CORPORATION, a North Carolina corporation (the "Lessor"), and KASGRO LEASING, LLC, a Pennsylvania limited liability company (the "Lessee").

The parties to this Memorandum hereby acknowledge and confirm the following:

A. The Lessee has leased from Lessor certain railcars identified on Schedule 1, attached hereto, under that certain Equipment Lease, dated as of January 1, 2004 (hereinafter together as amended, modified, supplemented and or replaced from time to time as the "Lease").

B. The parties hereto wish to show for public record this Memorandum and accordingly have caused this Memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

C. This Memorandum may be executed in counterparts, each such counterpart shall be binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the first date herein above written.

KASGRO LEASING, LLC, AS LESSEE

By: *Jeffrey A. Rut*
Name: JEFFREY A. RUT
Title: Exec VP

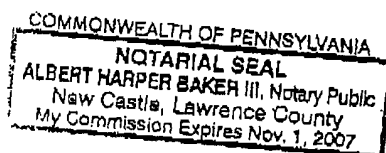
STATE OF PENNSYLVANIA
COUNTY OF LAURENCE ss:

The foregoing Memorandum of Lease was acknowledged before me, the undersigned Notary Public, in the County of LAURENCE this 20TH day of January, 2006 by JEFFREY A. RUT, as EXECUTIVE VP of KASGRO LEASING, LLC, a Pennsylvania limited liability company.

Albert Harper Baker III
Notary Public

My commission expires: 11-1-07

[Notarial Seal]



Schedule 1

EQUIPMENT DESCRIPTION

No. of Units	Type	Road No.
Group 1 4 Units	F403	KRL 370383
	F403	KRL 370384
	F403	KRL 370385
	F403	KRL 370386
Group 2 15 Units	F403	KRL 70938
	F403	KRL 70939
	F403	KRL 70940
	F403	KRL 70941
	F403	KRL 70942
	F403	KRL 70943
	F403	KRL 70944
	F403	KRL 70945
	F403	KRL 70946
	F403	KRL 70947
	F403	KRL 70948
	F403	KRL 70949
	F403	KRL 70950
	F403	KRL 70951
	F403	KRL 70952
Group 3 2 Units	F431	KRL 25973
	F431	KRL 25974
Group 4 2 Units	FBS 451	LNAL 44000
	FBS 451	LNAL 44001

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

1/23/06



Robert W. Alvord